

LNF & IHCIF Calculations Illustration - PINE RIDGE in Aberdeen area -

Given Data

- 22,577 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 24% = % Expenditures on purchased services, 76% = % expenditures in-house
- 93.0% = Cost index for purchasing health care in this geographic area
- 91.0% = Size cost index for in-house costs due to small or large size
- 108.7% = Aberdeen area cost index for health status above or below average

Cost Adjustment Calculations

- \$661 per person for purchased services = $24\% * 93.0\% * \$2,980$
- \$2,064 per person for in-house services = $76\% * 91.0\% * \$2,980$
- \$2,725 per person total = \$661 (purchase) + \$2,064 (in-house)
- **\$2,962 per person total** adjusted for health status = $\$2,725 * 108.7\%$
- **\$2,217 per person net cost** = $\$2,962 - \745 Other resources (M&M&PI)

Existing Expenditures (for 22,577 users excluding wrap-around and collections)

- \$1,258 per person = local IHS allowance (excludes \$ for wrap-around)
- \$203 per person = expenditures elsewhere in Aberdeen area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,515 per person for OU users** = $\$1,258 + \$203 + \$54$

LNF Calculation

- **51.1% Gross LNF** = $\$1,515$ (expenditures) / $\$2,962$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **68.3% Net LNF** = $\$1,515 / \$2,217$ net cost ($\$2,962 - \745 other)

IHCIF Allocation

- \$0 = \$ to raise LNF% from 68.3% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$0 Allocation** = \$0 needed for 60% * 3.488% IHCIF fraction

PINE RIDGE Unmet Needs

- **\$50,064,051 Net Total Need** = 22,577 users * \$2,217 net cost
- **\$15,861,265 Net Unmet Need** = $(100\% - 68.3\% \text{ LNF}) * 22,577 \text{ users} * \$2,217 \text{ net cost}$